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C O N F I D E N T I A L SECTION 01 OF 03 SINGAPORE 002155

SIPDIS

STATE PASS TREASURY FOR ACTING ASSISTANT SECRETARY GLASER
AND AJOVES
FINCEN FOR RMILLER AND WBAITY

E.O. 12958: DECL: 06/10/2015

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SUBJECT: SINGAPORE CITES OBSTACLES TO IMPROVED FINANCIAL
INTELLIGENCE UNIT (FIU) COOPERATION

REF: SINGAPORE 1706

Classified By: Acting Economic and Political Counselor
Paul Horowitz, reasons 1.4 (b) and (d)

1. (C) Summary. Singapore's Financial Intelligence Unit (FIU), the Suspicious Transaction Reports Office (STRO), told its U.S. FincEN FIU counterpart that it was willing to share financial crimes-related information, but that it would be unable to do so unless such information were traceable to the limited number of names (about 10,000) available in its database of suspicious transaction reports (STRs). STRO agreed to explore ways to improve FIU-to-FIU cooperation based on the recently concluded Memorandum of Understanding (MOU). It noted, however, that it would be difficult to broaden cooperation given that, with the exception of cases involving drug trafficking and terrorism finance, Singapore's bank secrecy laws prohibited financial institutions from divulging account holder information unless an STR had been filed. STRO suggested that FincEN and U.S. law enforcement agencies provide more detailed information in their suspicious transaction requests in order to facilitate STR database searches. In response to USG law enforcement's frustration with the low level of positive responses to information requests, STRO asked FincEN for a list of pending cases and offered to provide relevant updates, including explanations for any processing delays. See para 7 for a list of follow-up action items. End Summary.

2. (SBU) Rena Miller, FincEN Regional Specialist (East Asia and Europe), met June 3 with Mr. PEH Chin Wah, Head, Suspicious Transaction Reports Office (STRO), Singapore Police Commercial Affairs Division (CAD), and Mr. GOH Tee Jong, CAD Deputy Superintendent of Police, to discuss ways to begin cooperation under the FIU MOU signed by FincEN and STRO in December 2004.

Limits to Singapore's Assistance

3. (C) Peh stressed that STRO was willing to share available information with FincEN and, with the FIU MOU in place, to make the necessary disclosures on an FIU-to-FIU basis using the Egmont Secure Web system. He cautioned, however, that a number of procedural and legal restrictions impeded its ability to extend its cooperation, in particular:

-- STRO can potentially access a broad range of databases to process requests from U.S. law enforcement, but only if a "hit" is first generated in the STR database. The STR database is small, containing no more than 5,000 - 6,000 suspicious transaction reports and approximately 10,000 names. Once a "hit" has been identified, STRO can then access several other databases, including those used for criminal records; the Registry of Companies and Businesses; the Registry of Marriages, Births and Deaths (including information for suspects' immediate relatives); residential addresses; vehicle registries; and telephone directories. The Singapore Police's investigations database can confirm whether an investigation is pending or has been conducted previously, even in the absence of any subsequent formal court proceedings. Peh noted, however, that any information related to the investigation beyond confirmation of its undertaking would not be made available to us. (Note: STRO's current practice when conducting an STR database search is to provide a "negative response to our queries that yield more than one possible name. End note.)

Goh said that STRO began collecting STRs only in 2000 following its establishment as Singapore's FIU; it processed 1,760 STRs in 2004. Peh estimated that roughly three to five percent of STRs investigated resulted in prosecutions. STRO received roughly 150 STRs each month, Peh said, and investigated most of them, usually by checking bank account information that included ownership details and transaction history.

-- Singapore's bank secrecy laws limit STRO to providing account information only for those individuals whose names

appear in the STR database. Under the Banking Act (Chapter 19, Section 47), a financial institution cannot share a customer's account information without a court order -- unless the suspected offense involves drug trafficking or financing of terrorism. Goh explained that a court order was relatively easy to obtain so long as "reasonable grounds" for suspicion could be established.

(Note: Even with access to account information, the quality and breadth of data is limited by the fact that the Singapore government relies on only one type of report -- the STR. Singapore does not collect currency transaction reports, which monitor high-value cash transactions, or currency and monetary instrument reports, which monitor cross-border currency movements -- all of which, along with a number of other reports, are compiled in the United States. Banks and other financial institutions themselves have record-keeping requirements related to customer due diligence and customer transactions, for example, but again, we do not have access to this information without an STR "hit." End note.)

STRO Suggests Ways to Improve Cooperation

14. (C) Assuming individuals were subjects of an STR "hit," Peh emphasized that, if FinCEN wanted detailed information about them, it should indicate this on the investigations request form, i.e., note what specific databases it would like searched. He asked that, where possible, FinCEN note whether the suspect was a Singapore citizen or permanent resident (the STR database is divided into these two categories), and whether FinCEN lacked certain information such as a name, passport number or an address in an effort to avoid processing delays.

15. (C) In response to Miller's query about whether STRO used a networking system similar to FinCEN's, whereby a requesting law enforcement agency could be put in direct contact with the receiving law enforcement agency, Goh said that it did not, but that STRO could instruct the relevant agency to engage directly with its counterparts in the United States. Goh admitted, however, that such instructions from STRO were rare, and that the common practice among Singapore law enforcement agencies was to submit a request through Interpol in Washington, where it would be transferred to the appropriate U.S. agency. Goh said that the STRO would be interested in participating in FinCEN's networking system.

16. (C) Miller noted that U.S. law enforcement agencies were frustrated by difficulties in obtaining responses from STRO, even when requests for information had been channeled through FinCEN. Peh replied that these delays were most likely due to a lack of basic information or incorrect information such as a misspelled name. Goh noted that STRO had worked with Drug Enforcement Agency and Customs and Border Protection representatives in the past, but that in some cases it was impossible to provide the requested information. This was especially true of cases involving individuals resident in Indonesia, he said, since Singapore and Indonesia lacked any agreement to facilitate this type of law enforcement cooperation. He suggested that both the FIU MOU and the Drug Designation Agreement (DDA) were good channels by which to facilitate investigations opened in the United States.

Follow Up Action Items

17. (C) In an effort to expand bilateral FIU cooperation, FinCEN and STRO agreed to the following action items:

-- FinCEN will provide STRO with a list of any pending requests so that STRO can respond with the information and any relevant explanations for processing delays.

-- Both sides will explore ways to improve information sharing, including the possibility of participating in an international analyst exchange in which designated FinCEN and STRO staff would be given access to their respective counterpart's databases to research specific cases of interest.

-- With FinCEN's assistance, U.S. law enforcement agencies will endeavor to facilitate better database search results by providing STRO with more detailed information requests.

-- In cases where database searches generate a number of possible matches, STRO will try to provide, upon request from FinCEN, a list of these names, up to between 10 and 30 total. End note.)

Comment

18. (C) The FIU MOU was a first step, but much work remains to be done. With few names in its database of STRs,

especially relative to Singapore's size as a financial center, and no authorization in most cases to reach beyond that database, STRO possesses limited ability to provide investigative assistance to U.S. law enforcement entities. Our past record of cooperation is weak, and STRO has rarely availed itself of FinCEN's services, having submitted relatively few requests since it began operations in 2000. Even with the Drug Designation Agreement in place, cooperation on this front has been spotty at best. In conjunction with FinCEN and other USG agencies, we will continue to push the GOS to increase its responsiveness.

9. (C) In our broader discussions on law enforcement issues, GOS officials typically convey a conviction that cooperation, where available, is excellent. They have, however, begun signaling that there has been a change in mindset internally to do more with us in areas where cooperation heretofore has been limited or nonexistent (e.g., mutual legal assistance, tax fraud, etc.). We are vigorously pursuing this purported willingness to change across the spectrum of law enforcement activity here.

10. (U) Rena Miller cleared this cable.
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